

**BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE PETITION :
OF DIRECT ENERGY SERVICES, LLC :
TO REQUEST THE PUBLIC SERVICE :
COMMISSION TO ISSUE, ON AN :
EXPEDITED BASIS, AN ORDER : PSC Docket No. 16-____
DIRECTING DELMARVA POWER & :
LIGHT COMPANY TO DISTRIBUTE :
AN EDUCATIONAL BILL INSERT :
REGARDING THE OPTIONS :
AVAILABLE UNDER THE CONTRACT :
AWARDED BY THE STATE OF :
DELAWARE :

**PETITION OF DIRECT ENERGY SERVICES, LLC
TO REQUEST THE PUBLIC SERVICE COMMISSION
TO ISSUE, ON AN EXPEDITED BASIS, AN ORDER DIRECTING
DELMARVA POWER & LIGHT COMPANY
TO DISTRIBUTE AN EDUCATIONAL BILL INSERT REGARDING THE OPTIONS
AVAILABLE UNDER THE CONTRACT AWARDED BY THE STATE OF DELAWARE**

Pursuant to Rule 1.7.1.2 of the Rules of Practice and Procedure of the Delaware Public Service Commission (“Commission” or “PSC”), Direct Energy Services, LLC (“Direct Energy”) hereby respectfully petitions the Commission to issue, on an expedited basis, an order directing Delmarva Power & Light Company (“Delmarva”) to distribute an educational bill insert regarding the options available under the contract awarded by the State of Delaware to Direct Energy as the “Electric Retail Supplier Exclusively Contracted by the State of Delaware” (hereinafter sometimes referred to as “the Contract”). Direct Energy is proposing the use of a one-time, educational bill insert to all eligible residential and small commercial customers in Delmarva’s territory. There would be one bill insert for residential customers, and one bill insert for small commercial customers. The inserts would be mailed by Delmarva and would provide information on the ability to shop, assurances that a customer’s distribution service will not be

affected (that customers would still call Delmarva as they do today if they have an outage or another service emergency), a summary of the Electricity Affordability program, and a description of the products, including terms and conditions available under the Contract. All incremental costs of the inserts and mailing would be paid by Direct Energy, and not by Delmarva or Delmarva's ratepayers.

Direct Energy requests this relief because: (1) it was formally named as the "Electric Retail Supplier Exclusively Contracted by the State of Delaware;"¹ (2) it seeks to increase awareness about the products available for residential and small commercial customers in Delmarva's territory under the Contract; and, (3) the use of bill inserts would be an effective means of reaching those eligible customers.

In support of this Petition, Direct Energy states as follows:

I. BACKGROUND

1. Section 68 of Senate Substitute No. 1 for Senate Bill 160 of the 148th General Assembly created the Electricity Affordability Committee (the "Committee") and tasked the Committee to evaluate "an opt-in electricity affordability program for residential and small business customers . . . based on the potential benefits derived from a combination of a multi-year fixed price per kWh offer, value added products and services to help customers better manage their overall energy bills, and other potential consumer benefits" and "to select and contract with a PSC-certified energy provider" if the Committee "determines that a program will offer these benefits to residential and small business customers."

¹ Contract, § 3.7.

2. On June 22, 2016, following a months-long competitive process and a unanimous vote on April 22, 2016 by the Committee, (which was chaired by Secretary of State Jeffrey Bullock, and with representation from the Department of Natural Resources and Environment, Office of the Controller General, Office of Management and Budget, Office of the Public Advocate, and the Public Service Commission), Direct Energy was formally named as the “Electric Retail Supplier Exclusively Contracted by the State of Delaware.”

3. Direct Energy was one of six PSC-certificated suppliers vying for the designation. Proposals were evaluated based on the potential benefits derived from a combination of multi-year fixed price per kilowatt-hour offers; value added products and services to help customers better manage their overall electricity bills; other potential consumer benefits; and the fiscal and technical experience of the supplier.

4. As part of Direct Energy’s response to the State’s request for proposals (RFP) it indicated that, for the citizens of Delaware to obtain the maximum benefit from the Contract, a Commission sponsored or coordinated consumer education effort would be helpful.²

5. The Commission has jurisdiction and oversight over the marketing of the products available (under the Contract) for residential and small commercial customers in Delmarva’s territory. In the Contract, the State authorized the Commission to provide “educational information regarding the products in coordination with Direct Energy.”³ Such efforts are consistent with the Commission’s obligation to ensure that eligible customers receive education and information so that they can obtain the benefits of retail competition.⁴

² See Contract, Appendix B at 25, 29, 30.

³ Contract, § 5.1.

⁴ See, e.g., 26 Del. C. §§ 1002, 1013(b), 1014

6. The products available under the Contract can be identified as “a preferred electric supply product offering for Residential and Small Commercial customers.”⁵ It is estimated that residential customers may save on average \$15 per month with Direct Energy’s low fixed electricity prices, set at 10 to 18 percent below Delmarva’s current price to compare. Other benefits are available and both residential and small business customers can potentially save a further 10 to 12 percent on their heating bills and about 15 percent on their cooling bills by receiving at no cost a Nest Learning Thermostat.⁶ Small businesses can save 5 percent off of Delmarva’s current price to compare.⁷ Additionally, a “Solarize Delaware” solar offering is available which is comprised of a low price per watt roof-top installation while receiving 12 months of free electricity for the balance of consumption not supplied by solar once installed.⁸

II. RELIEF REQUESTED

7. To help increase awareness of competitive electricity markets and to ensure customer awareness of the Electricity Affordability Program products available (under the unique Contract awarded by the State) to residential and small commercial customers in Delmarva’s territory, Direct Energy is proposing that the Commission coordinate the provision of a one-time, educational bill insert to all eligible residential and small commercial customers in Delmarva’s territory.

⁵ Contract, § 3.7. *See also* Contract, Attachment C.

⁶ The average savings statement is based on a comparison of the utility’s current price to compare and Direct Energy’s current offers. Usage utilized in the dollar savings calculation is based on forecasted consumption data for a typical residential class customer in Delmarva Power’s Delaware territory.

⁷ 5% savings based off of Delmarva’s current Small General Service (SGS) price to compare of \$0.0806/kwh.

⁸ Contract, Attachment B at 6, 21-22; Contract, Attachment C.

8. The use of bill inserts would be an effective means of reaching eligible customers. Throughout the year, Delmarva uses bill inserts to, among other things, provide education information.⁹

9. The bill inserts would be mailed, by Delmarva, directly to eligible customers as soon as reasonably practicable upon approval by the Commission. The bill inserts would be sent to customers over Delmarva's existing billing cycle time period. There would be one bill insert for residential customers, and one bill insert for small commercial customers. The bill inserts would comply with Delmarva's existing criteria on physical characteristics, such as paper stock, weight and size.

10. It is anticipated that the bill inserts would provide information on the products available under the contract awarded by the State. That being said, the content of the bill insert would be agreed-upon by Direct Energy, Delmarva, Office of the Public Advocate Staff, and the Commission Staff prior to being disseminated to eligible customers.

11. Incremental costs associated with the implementation of Direct Energy's proposal (including but not limited to printing and postage costs) will be paid by Direct Energy. None of the incremental costs will be borne by Delmarva or Delmarva's ratepayers.

12. Direct Energy asks that this Petition be expedited and placed on the Commission's agenda as soon as practicable. An expedited pace would enable information to quickly be provided to eligible customers, better enabling them to elect, if they so desire, to receive the Electricity Affordability Program products available under the Contract.

⁹ <http://www.delmarva.com/billinserts/>.

III. CONCLUSION

13. Direct Energy respectfully requests that the Commission (a) issue an order directing Delmarva Power & Light Company (“Delmarva”) to distribute, as expeditiously as possible, an educational bill insert – the costs of which to be reimbursed by Direct Energy – regarding the options available under the Contract awarded by the State of Delaware pursuant to the Electric Affordability Program so that customers can better avail themselves of the benefits of the product offerings to be made available under the Contract; and (b) grant any other relief deemed appropriate under these circumstances.

Respectfully submitted,

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